



Irish Life Weekly Investment Bulletin

The week that was – WEEK 22 (ending 02/06/2017)

“A habit cannot be tossed out the window; it must be coaxed down the stairs a step at a time.”
– Mark Twain

Irish household deposits of €99.1 billion at highest level in 7 years – The latest data released in the Central Bank's 'Money and Banking Statistics' Report for April show that household deposits increased in net terms by €1.1 billion in April rising to €99.1 billion and are now at their highest level since February 2010.

EU inflation drops to 1.4% in May – Euro area inflation data issued by Eurostat show annual inflation was 1.4% in May, down from 1.9 % in April 2017. This subdued inflation rate added weight to Mario Draghi downplaying the odds during the week of any change in stimulus policy at next week's rate-setting meeting.

Global stock market up 0.9% on the week – The MSCI AC World TR Index had another good week as it showed a return of 0.89% from 26th May to 2nd June led by the performance of the U.S. and Japanese stock markets. Volatility, as measured by the VIX, dropped again - to 9.9 from 10.8 - over the course of the week.

U.S. job numbers disappoint – Nonfarm payroll numbers published by the Bureau of Labor Statistics on Friday showed 138,000 new jobs were added in May but the expectation from Economists surveyed by Reuters was for a rise of 185,000. The good news was that the unemployment rate hit a 16 year low of 4.3%.

Oil price down after Trump quits climate agreement – Crude oil closed down more than 1% on Friday for a second straight week of losses, on worries that U.S. President Donald Trump's withdrawal from the Paris climate accord could expand U.S. production more rapidly than it is currently and flood the global oil market.

Amazon price rises above \$1,000 for the first time – Online retail giant Amazon saw its stock rise over the \$1,000 mark, putting Amazon in an elite club, with only four other U.S.-listed companies that trade above \$1,000. The other four companies are Warren Buffett's *Berkshire Hathaway*, *NVR*, *Priceline* and *Seaboard*.

The Story of the week: A nun and a Garda have emerged as unlikely international sporting stars, after a video of the pair kicking a football in their respective uniforms went viral around the world. The video shows Garda O'Connell of the Henry Street Community Policing unit in Limerick playing "keepy-uppy" with an unnamed nun from the Dominican order. Both are pretty good but the nun's use of both feet and her slightly better control would have to give her the edge! The clip was captured at the Our Lady of Limerick Triduum festival which took place in St Saviours Dominican Church in Glentworth Street.

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 02/06)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	10.3
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	9.1
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	7.7
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	11.2
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	9.9
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	17.1
Nikkei 225	22.9	56.7	7.1	9.1	0.4	5.6
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	13.2
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	-0.1
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.1
German	1.4	1.9	0.5	0.6	0.2	0.3
UK	1.9	3.0	1.9	1.9	1.2	1.0
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.8
Italy	4.6	4.1	2.1	1.6	1.8	2.3
Greece	12.7	8.2	9.6	7.9	7.1	6.0
Portugal	6.9	6.1	2.7	2.5	3.8	3.1
Spain	5.4	4.1	1.6	1.7	1.4	1.5
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.00
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.13
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.87
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.29
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	2.0% (to end of Q1)
U.K.	2.7	10.7	17.8	13.1	3.6	2.3% (to end of Q1)
U.S.	5.3	11.4	11.2	12.1	7.8	1.6% (to end of Q1)

*Past performance is not a reliable guide to future performance